

NOTICE OF A JOINT PUBLIC HEARING OF THE MORGAN HILL CITY COUNCIL AND THE MORGAN HILL REDEVELOPMENT AGENCY ON THE ADOPTION OF OJO DE AGUA REDEVELOPMENT PROJECT, AMENDMENT NO. 4, AND ON THE ENVIRONMENTAL IMPACT REPORT PREPARED IN CONNECTION THEREWITH

NOTICE IS HEREBY GIVEN that the Morgan Hill City Council (the "City Council") and the Morgan Hill Redevelopment Agency (the "Agency") will hold a joint public hearing on the proposed adoption of Ojo de Agua Redevelopment Project, Amendment No. 4 (the "Amendment") and on the Environmental Impact Report prepared in connection therewith, at the following date, time, and place:

Date: November 8, 2006

Time: 7:00 p.m. or as soon thereafter as possible

Place: City Council Chambers, 17555 Peak Avenue, Morgan Hill, CA 95037

The proposed Amendment will change certain limits in the Community Development Plan (the "Plan"), which was adopted in 1981, as follows:

<i>TYPE</i>	<i>CURRENT LIMIT</i>	<i>PROPOSED LIMIT</i>
Debt Incurrence	January 1, 2014	Repeal
Plan Effectiveness	June 3, 2021	June 3, 2024
Tax Increment Receipt	June 3, 2031	June 3, 2034
Bond Limit	\$7,000,000*	\$150,000,000
Tax Increment Limit	\$247,000,000	\$580,000,000
Eminent Domain	Expired	12 years from Plan Adoption Date**

**Only for bonds issued prior to 1999; there is no current authority to issue new bonds.*

***Only on non-residential properties in downtown Morgan Hill and along Monterey Avenue.*

The proposed amendment would reauthorize the use of eminent domain to acquire non-residential properties within the attached map, "Eminent Domain Inclusion Area." In essence, non-residential properties located in a) the downtown area bordered by Del Monte Avenue, Butterfield Blvd., Dunne Avenue, and Main Avenue or b) with Monterey Road frontage within the RDA Project Area are subject to the eminent domain process. Subject to the process described in the proposed Plan Amendment, non-residential property owners and business owners within the identified area could have their property acquired by the Redevelopment Agency through the use of the power of eminent domain.

In addition, the Agency is proposing to remove certain areas that no longer need redevelopment assistance (the "Detachment Area"). The boundaries of the Detachment Area, along with the area that remains (the "Remaining Project Area"), are shown on the attached map. The map and a legal description are available for public inspection during normal business hours at the Agency offices at 17555 Peak Avenue, Morgan Hill, CA 95037 (408) 776-7373. Copies of the map and legal description are available upon request, free of charge.

Generally, the reason for the proposed Amendment is because the current tax increment limit will be met prior to the termination of the Plan. Without an amendment to increase the current tax increment limit, the Agency will not be able to address remaining conditions of blight or make other improvements. The proposed new limits in the Plan are necessary and directly related to the Agency's ability to eliminate remaining blight. The proposed Amendment does not change any of the goals and policies of the Agency.

With the proposed new limits in place, the Agency would have the tools necessary to continue its improvement programs, which include:

- Providing public improvements
- Assisting the development of new uses
- Assisting the rehabilitation of existing properties
- Increasing, preserving, or improving the supply of low- and moderate-income housing
- Pursuing other improvement activities authorized by California Community Redevelopment Law

At the joint public hearing, the City Council and the Agency will consider testimony for and against the proposed Amendment. All persons having any objections to the Amendment, or who deny the regularity of any of the prior proceedings or the existence of significant remaining blight in the Remaining Project Area may appear before the City Council and the Agency and show cause why the proposed Amendment should not be approved. Any person or organization desiring to be heard will be given an opportunity to be heard. In addition, at any time not later than the closing of the public hearing, any person or organization may file in writing with the City Clerk of Morgan Hill a statement of his or her objection(s) to the Amendment. The office of the City Clerk is located at 17555 Peak Avenue, Morgan Hill, CA 95037.

An Environmental Impact Report has been prepared in connection with the Amendment. The City Council and the Agency will at the same above-stated time, date and place also hold a joint public hearing to consider the Environmental Impact Report in accordance with the California Environmental Quality Act (CEQA). Interested persons may testify regarding the Environmental Impact Report at the joint public hearing or may file in writing with the City Clerk a statement of his or her comments regarding the Environmental Impact Report at any time not later than the closing of the public hearing.

Persons who challenge the approval and adoption of the Amendment, or the certification of the Environmental Impact Report, in court may be limited to raising only those issues they or someone else raised at the joint public hearing described in this notice, or raised in written correspondence delivered to the City Clerk at, or prior to, the joint public hearing. In addition, persons who challenge the Environmental Impact Report in court may be precluded from doing so unless they objected to the Amendment and stated the basis of their CEQA objection orally at such joint public hearing or in written correspondence delivered to the City Clerk at, or prior to, the joint public hearing.

The proposed Amendment to the Plan, the Report to the City Council on the proposed Amendment, the Environmental Impact Report, and other related documents, will be available for public inspection on or about October 25, 2006, at the office of the City Clerk of the Morgan Hill.

GIVEN BY ORDER of the Morgan Hill City Council and the Morgan Hill Redevelopment Agency.

Publish: 10/10/06, 10/17/06, 10/24/06, and 10/31/06



